GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

AHDD& F Dept., - APDDCF Ltd., – Approval of the agreement for leasing out Ac. 27.35 cents of lands of the Chittoor Dairy Plant to GCMMF/its member union and authorizing the MD, APDDCF and the Liquidator of the Chittoor Dist. Coop. Milk producers Union Ltd., Chittoor (Under liquidation) to sign the agreement -Orders-Issued.

ANIMAL HUSBANDRY, DAIRY DEV. & FISHERIES (DY. & VIG.) DEPARTMENT

G.O.Rt.No.157

Dated:13.06.2023.

Read the following:-

1. G.O Ms No. 09, AHDD&F(Dy.&Vig.)Dept.,Dt. 16.02.2023.
2. Letter No. 46/AE(Civil)/APDDCF/2020, dt. 09.05.2023 of the Managing Director, APDDCF Ltd., Mangalagiri
3. G.O Ms. No.28, AHDD&F (Dy.&Vig.)Dept., Dt. 13.06.2023.

***

Whereas in the G.O 1st read above, Government issued orders, in relaxation to the provisions laid down in G.O Ms No. 571, Revenue (Assignment) Department Dt. 14.09.2012, inter-alia, to lease out Ac. 28.35 cents of land of the Chittoor District Co-operative Milk Producers Union Ltd., (Under Liquidation), Chittoor to the GCMMF / its member union for a period of 99 years at One Crore rupees inclusive of all taxes per annum.

2. In the reference 2nd read above, the Managing Director, A.P Dairy Development Cooperative Federation Limited, Mangalagiri, among others has submitted the draft lease agreement in respect of the Chittoor Dairy Plant land to be entered with the GCMMF / its member union and requested to approve the same and to authorise the Managing Director, APDDCF and the Liquidator, CDMPCU Ltd., Chittoor to enter into.

3. In the G.O 3rd read above, Government issued orders for partial modification of the G.O. 1st read above duly exempting Ac. 1.00 cents of land in Sy. No. 261/2 out of Ac.28.35 cents of land of the Chittoor Dist. Coop. Milk producers Union Ltd., Chittoor (which is in the possession of the DRDA, Chittoor) to be leased to GCMMF / its member union.

4. Government after careful examination hereby approve the agreement for leasing out Ac. 27.35 cents of lands of the Chittoor Dairy Plant to GCMMF/its member union as appended to this order and authorize the Managing Director, APDDCF and the Liquidator of the Chittoor District Coop. Milk Producers union Ltd., (under liquidation) to sign the lease agreement.

5. The Managing Director, A.P Dairy Development Cooperative Federation Limited, Mangalagiri, shall take necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

GOPAL KRISHNA DWIVEDI
SPECIAL CHIEF SECRETARY TO GOVERMENT (FAC)

To
The Managing Director, APDDCF Ltd., Mangalagiri.

Copy to:
P.S to Addl. Secy., to CM.
OSD to Minister(AHDD&F).
P.S. to Chief Secretary to Govt., A.P.
P.S. to Spl. C.S to Government (FAC), AHDD&F Dept.,
The Finance (FMU-AC-CS-AHDF) Dept., A.P. secretariat.
The GA(Cabinet) Dept., AP Secretariat.
SC/SF.

//FORWARDED:: BY ORDER//

SECTION OFFICER

ANNEXURE

(To G.O.Rt. No.157, Animal Husbandry Dairy Development Fisheries (Dy. &Vig.) Department, Dt. 13.06.2023)

LEASE AGREEMENT

This Agreement is entered into on this ….. Day of …….. 2023 at **Chittoor** between

Gujarat Co-operative Milk Marketing Federation Ltd., (GCMMF) a Co-operative Society registered under the Gujarat Co-operative Societies Act, 1961 of Gujarat State and having its registered office at Amul Dairy Road, Anand, Gujarat-388001 (hereinafter referred to as "**LESSEE" or "GCMMF"**) which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees as the **FIRST PART**

AND

M/s. Kaira District Co-operative Milk Producers' Union Ltd., Anand, a Co-operative society registered under the provisions of Bombay Co-operative Societies Act 1925 and also governed under Gujarat Co-operative Societies Act 1961 of Gujarat State and having its registered office at Amul Dairy Road, Anand District, Gujarat State (hereinafter referred to as "**LESSEE" or "KAIRA"**) which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees as the **SECOND PART**

AND

The Andhra Pradesh Dairy Development Co-operative Federation Limited (APDDCF), a Cooperative Society registered under the Andhra Pradesh Cooperative Societies Act, 1964, Andhra Pradesh State and having its registered office at APIIC Towers, Mangalagiri-522503, Guntur District, Andhra Pradesh (hereinafter referred to as **"LESSOR" or "APDDCF"**) which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees as the **THIRD PART**

AND

M/s. The Chittoor District Milk Producers Cooperative Union Limited, Chittoor a body corporate registered in India under the Andhra Pradesh Cooperative Societies Act, 1964 (ordered for Liquidation) having its registered office at Chittoor, Chittoor District, Andhra Pradesh (hereinafter referred to as **"LESSOR" or "CHITTOOR UNION"**) which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees as the **FOURTH PART**.

GCMMF, Kaira Member Union of GCMMF, APDDCF and the Chittoor Union as cited above are hereinafter individually referred to as "Party" and collectively as "Parties".

WHEREAS

1. The THIRD or the FOURTH PART own properties cited in Annexure-I and has expressed its intent to offer the properties to the SECOND PART on ***"as is where is basis"*** **along with Civil structure standing thereon** for operation for some consideration for dairying activities (excluding setting up of dairy farm, the term "dairy farm" having a meaning that is commonly understood in dairy business) as per the orders of the Government vide G.O. Ms. No. 9, Animal Husbandry, Dairy Development & Fisheries Department dated 16.02.2023 and G.O Ms No.28, Animal Husbandry, Dairy Development & Fisheries Department Dt. 13.06.2023.
2. The Animal Husbandry, Dairy Development and Fisheries (DY. & VIG.) Department, Government of Andhra Pradesh vide its Government Order dated 16/02/2023 bearing GOMs No. 09 approved to lease out Ac. 28.35 cents of land belonging to the Chittoor District Co-operative Milk Producers Union Limited (Under Liquidation), Chittoor to the Kaira Milk Union i.e., Lessee for a period of 99 years. Through G.O Ms No.28, Animal Husbandry, Dairy Development & Fisheries Department Dt. 13.06.2023, Govt., has exempted Ac. 1.00 cents of land in S. No. 261/2 out of the Ac. 28.35 cents of land (which is in the possession of DRDA, Chittoor) from the lease agreement.
3. In response to the offer from the THIRD or the FOURTH PART, the SECOND

PART has stated its' intention to take the properties of the THIRD or the FOURTH PART (hereinafter referred to as "**Demised Land**" or "**Said Land**" more particularly described in the Annexure-I) on lease for dairying operations comprising Milk Procurement, Processing of milk and its various milk products, any other allied activities related to the business of the FIRST or the SECOND PART like Animal Husbandry activities, Cattle feed, Poly-film manufacturing, etc. and supply of the milk, its various milk products and any other product related to its business (excluding setting up of dairy farm, the term "dairy farm" having a meaning that is commonly understood in dairy business) and to enter into an agreement with the THIRD or the FOURTH PART on mutually agreed terms and conditions.

4. In compliance with the mutually agreed terms and conditions of the G.O.Ms. No. 09 dated 16.02.2023, and G.O Ms No.28, Dt.13.06.2023 the Lessee has:
   Paid to the Lessor an amount of Rs. _____/- towards Lease Premium as detailed here-in under:-
   a. _____
   b. _____

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. **DEFINITIONS:**

In this Agreement, the following terms shall have the meanings stated against each terms:

(a) **"Agreement"**: Shall mean this agreement, including all its annexures, as may be supplemented, amended, restated or replaced from time to time in accordance with the provisions hereof by the parties.

(b) **"Effective Date"**: Shall be deemed to mean and include the actual date of signing of the Agreement.

(c) **"Force Majeure Event"** shall mean causes beyond the control of the Party, including but not limited to an act of god, fire, strikes, acts of war, riots, acts of terrorism or governmental prohibition(s) etc., more particularly described in Clause 21 of this Lease Deed.

(d) **"Intellectual Property"** proprietary and intellectual property rights, interests

and claims in regard to the information as provided on the Website including on-line information, data development and delivery material and updates communication network, electronic commerce support services and other allied services, dedicated ports and consumer database in terms of this Agreement including the design and other intellectual property rights connected thereto including but not limited to copyright, trademark, trade name, brand name, service marks.

(e) **"Material Breach"** Material Breach (i) shall mean default on part of Kaira or GCMMF for a continuous period of 30 days for the non-performance of its any obligation under this agreement or payment obligation by Kaira or GCMMF under this agreement and the same is not rectified within a period of 30 days from the receipt of relevant notice from Lessor shall amount to material breach by Kaira or GCMMF i.e., Lessee, (ii) shall mean a breach by the Lessee of any of its obligations under this Lease Deed which has or is likely to have a Material Adverse Effect on the Project and which the Lessee has failed to cure.

(f) **"Product/Amul Product"** mean and include any product described in '**Annexure-III** or any other products as updated by Amul or KAIRA or GCMMF i.e., Lessee from time to time in the **Functional Specification Document (FSD)**.

(g) **"Scope of Work":** shall mean and include various Dairying operations comprising of Milk Procurement, Processing of milk and various milk products, any other allied or incidental activities such as Animal Husbandry Activities, Cattle Feed, Poly-film manufacturing, etc. and supply of milk and its various milk products excluding setting up of Dairy Farm.

(h) **"Materials"** means things of all kinds (other than Plant) to be provided and incorporated in the Permanent Works by the Lessee, including the items which are to be provided, installed and set up by the Lessee as specified in the Lease Deed.

(i) **"Material Adverse Effect"** means material adverse effect on (a) the ability of the Lessee to exercise any of its rights or perform/discharge any of its duties/obligations under and in accordance with the provisions of this Lease

Deed and/or (b) the legality, validity, binding nature or enforceability of this Lease Deed.

(j) **"Person"** unless specifically provided otherwise, shall mean any individual, corporation, partnership, joint venture, trust or Government Agency or any other legal entity as the context may admit or require.

(k) **"Plant"**: Any place, premises or establishment where milk or milk products are received or handled for processing or manufacturing and/or prepared with the milk procured from the dairying farmers of the Andhra Pradesh state (besides from other sources) for value addition for marketing and does not include places where milk and milk products are not processed but sold.

(l) **"Production"**: The workflow of the plant involving processing raw/chilled milk into products using manufacturing practices such as chilling, pasteurization, homogenization, packing on a continuous basis which includes time gaps required for usual maintenance of plant and machinery.

(m) **"Properties"**: Means the immoveable assets as detailed in Annexure-I owned by the THIRD or theFOURTH PART (Lessor).

(n) **"Month"**: Means English calendar month.

(o) **"Term"**: Has the meaning given in Clause 4.

(p) **"Year"**: Means a period of 12 months commencing from First day of January and ending on 31st Day of December.

(q) **"GCMMF"**: Means Gujarat Co-operative Milk Marketing Federation Limited established under the Gujarat Co-operative Societies Act, 1961 having registered address at Amul Dairy Road, Anand, Gujarat State.

(r) **"APDDCF"**: means Andhra Pradesh Dairy Development Cooperative Federation Ltd., registered under Andhra Pradesh Cooperative Societies Act 1964 and having its registered office at APIIC Towers, Mangalagiri, Guntur District, Andhra Pradesh.

2. SCOPE OF THE AGREEMENT

2.1 The scope of the agreement shall mean and include, during the period of

agreement, that the SECOND PART or LESSEE herein intends to carry out activities related to Milk Procurement, Processing of milk and its various milk products, any other allied activities related to the business of the FIRST or the SECOND PART like Animal Husbandry activities, Cattle feed, Poly-film manufacturing, etc., and supply of the milk, its various milk products and any other product related to its business (excluding setting up of dairy farm, the term "dairy farm" having a meaning that is commonly understood in dairy business) with the milk procured from the dairying farmers of the Andhra Pradesh state (besides from other sources) along with operational rights of assets of the THIRD or the FOURTH PART i.e. LESSOR only subject to the condition that the SECOND PART i.e. KAIRA shall commence production of the Chittor Dairy plant within 10 months after land is handed over to The SECOND PART or KAIRA (Lessee herein) free from all existing equipment's and machinery, lien and encumbrances after scrapping off the existing Plant & Machinery by the THIRD or the FOURTH PART.

3. INTERPRETATION

The following rules of interpretation shall be followed while interpreting this agreement:

3.1. The descriptive headings of clauses are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of this Agreement.

3.2. The use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this agreement to any party or parties under any circumstances except as the context otherwise permits.

3.3. The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in this agreement mean and refer to this agreement and not to any particular clause of this agreement. The term clause means and refers to the clause of this agreement so specified.

3.4. The annexures annexed to this agreement form an integral part of this agreement and will be in full force and effect as though they were expressly set out in the body of this agreement.

3.5. Any reference to day, month or year shall mean a reference to a calendar day, 30 days or 365 days respectively;

3.6. The Appendix and schedules to this Lease Deed form an integral part of this Lease Deed as though they were expressly set out in the body of this Lease Deed. In case of any discrepancy between the Appendix and the body of the Lease Deed, the latter shall prevail.

3.7. Any reference at any time to any agreement, deed, instrument, license or document of any description shall be construed as reference to that agreement, deed, instrument, license or other document as amended, varied, supplemented, modified or suspended at the time of such reference;

3.8. References to recitals, Articles, Appendix, sub-articles, clauses, or Schedules to Appendix in this Lease Deed shall, except where the context otherwise requires, be deemed to be references to recitals, Articles, Appendix sub-articles, clauses and Schedules to Appendix of or to this Lease Deed;

3.9. Any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this Lease Deed from or by the Lessee shall be valid and effectual only if it is in writing under the hands of its duly authorised representative in this behalf and not otherwise;

3.10. Any reference to any period commencing "from" a specified day or date and "till" or "until" a specified day or date shall include both such days or dates;

3.11. Reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The remedies provided under this agreement shall be without prejudice to other rights and remedies that each party may have under applicable law. No Party, which is specifically under an obligation to exercise reasonable endeavors to fulfil its obligation, shall be

construed to be in breach here under if such party demonstrates the exercise of reasonable endeavors.

3.12. References to the word "include" or "including" shall be construed without limitation.

4. TERM

4.1. This agreement shall be effective from the Effective Date and shall remain valid and binding on parties for a period of maximum **99** (**Ninety-Nine**) years from the Effective Date ("Term"), unless terminated earlier. It can be further extended subject to mutual written consent of both the parties on mutually discussed terms and conditions.

4.2. At any time prior to the expiry of the term, parties may extend the term on mutually agreed terms and conditions. If the term is not extended prior to the expiry of the term, the agreement shall cease to exist / deemed to have ceased upon expiry or termination of this Lease Deed. The Parties hereto further agree that they shall not raise any dispute in this regard.

4.3. With the commencement of this agreement, all the earlier agreements concerned to this particular asset/property, if any, entered by all the parties or between any two of the parties hereto, if any, would stand null and void.

4.4. With the commencement of this agreement, there will be lock in period of minimum 15 (fifteen) years and this agreement can't be terminated by any of the parties during this period except in occurrence of any of the following conditions:

i) in case of non-payment of lease rent for two consecutive years by The SECOND PART to the THIRD PART or the FOURTH PART.

ii) in case of default by SECOND PART with respect to the investment plan as per the Annexure-III.

iii) in case of default by SECOND PART to start production in the plant within 10 months after land is handed over to the SECOND PART, and the period of 10 months will be considered from the date of handing over, when the land is free from all existing equipment's and machinery,

lien and encumbrances. Handing over will be done post joint inspection by the concerned parties.

5. ENGAGEMENT

5.1. The FIRST PART or the SECOND PART hereby engages and the THIRD or the FOURTH PART as applicable, accepts the engagement, as the SECOND PART is engaged in carrying out of Dairying Operations consisting of Milk Procurement, Processing of milk and its various milk products, any other allied activities related to the business of the FIRST or the SECOND PART i.e. Lessee like Animal Husbandry activities, Cattle feed, Poly-film manufacturing, etc. and supply of the milk, its various milk products and any other product related to its business during the term (excluding setting up of dairy farm, the term "dairy farm" having a meaning that is commonly understood in dairy business) with the milk procured from the dairying farmers of the Andhra Pradesh state (besides from other sources). The LESSOR i.e., THIRD PART or the FOURTH PART herein agrees and undertakes that they shall not, during the Term of this Lease Deed, provide same or similar services from the same properties to any other party or person related to the business of the FIRST or the SECOND PART.

5.2. The FIRST and the SECOND PART will be free to decide rates, policy & structure, marketing, financing, procurement/sale of milk, delivery of milk products and any other products and this Lease Agreement will not allow any interference by the LESSORS in business decisions of the FIRST and the SECOND PART.

5.3. The FIRST PART or the SECOND PART reserves the right without consent of the THIRD or the FOURTH PART to appoint at any time, additional service providers for provision of services in the same town/area or in other towns/areas.

5.4. The LESSORS shall not dispute, object to or challenge the appointment under Clause 5.2 & 5.3 or any action taken pursuant to this clause.

5.5. The LESSEE shall at all times be in compliance with all the applicable laws, follow Good Industry Practice and strictly adhere to Food and Safety Standards.

6. TITLE AND RISK TO MILK AND OTHER PRODUCTS

6.1. Title to the milk and other products shall vest, at all times, with the FIRST or the SECOND PART, as applicable. The title to the Brand Name "Amul" under which various milk products of Lessee are marketed and sold shall also vest and be an exclusive intellectual property of First or Second Part, as applicable.

7. PAYMENT FOR SERVICES

7.1. The SECOND PART i.e., KAIRA shall pay an amount of Rs. 1,00,00,000/- (Rupees One Crore only) including all applicable taxes per annum to the THIRD or the FOURTH PART as lease rent for the land demised on lease more particularly described in Annexure-I hereunder.

7.2. The Party of the SECOND PART i.e., KAIRA hereby agrees to pay an amount of Rs. 1,00,00,000/- for every year to the THIRD or the FOURTH PART i.e., LESSOR in advance at the beginning of the term by depositing the same in the bank account number ..... (Name: Managing Director, APDDCF Ltd., Bank & Branch: ....., IFSC No.: .....) on or before 10th of January of the succeeding year and on pro-rata basis in the first and last year of agreement. Any delayed payment beyond a period of Twenty (20) days i.e., after 30th January, will carry interest at rate of 18% per annum for the delayed period only.

7.3. It is hereby agreed between the parties that the Party of The THIRD PART or the FOURTH PART will not enter into any activities which will lead to stoppage of utilities supplies to the plant/properties or disposal of effluent from the plant/properties or which will lead to interruption of production and operational activities being carried out in Dairy Plant operated by Lessee. Any such activity will be considered as breach of contract. This will include denial of signing any documents which are necessary to get

approvals under the law including local municipality/state Government/central government laws or any other statutory provisions. This is necessary to get documents signed from the proprietor as an owner of the premises/properties.

8. INDEMNITY

8.1 The parties concerned (the THIRD or The FOURTH PART) i.e. LESSOR shall keep indemnified and hold harmless to The FIRST PART or The SECOND PART i.e. LESSEE against claims or demands that may arise out of defects in Title of any of the properties as detailed in Annexure-I and in connection with this agreement.

9. SUPPLEMENTAL DEED:

9.1 The Lessee shall be entitled to assign the whole or any part of the Demised Land for the similar purposes to its Member Milk Unions. But, first preference shall be given to the SECOND PART and in case the SECOND PART doesn't create/establish the project in the given time frame as per the guidelines of FIRST PART, then only the FIRST PART will be free to assign the whole or any part of the Demised Land for the similar purposes to its Member Milk Unions.

9.2 For this, separate agreement needs to be entered into on mutually agreed terms and conditions between the parties.

10. CONFIDENTIALITY

10.1 Parties shall keep confidence any confidential/sensitive/proprietary information obtained under this Agreement from each other, and shall not divulge the same to any person other than their employees who shall be provided this information on a "need to know" basis. This obligation will not apply to information which (i) is known to the public (through no act or omission of the receiving party in violation of this Agreement); (ii) is lawfully acquired by the receiving party from an independent source having no obligation to maintain the confidentiality of such information; (iii) was

known to the receiving party prior to its disclosure under this Agreement; (iv) was or is independently developed by the receiving party without breach of this Agreement; or (v) is required to be disclosed pursuant to a governmental or judicial order, in which case the party so required shall give the other party prompt written notice, where possible, and use reasonable efforts to ensure that such disclosure is accorded confidential treatment and also to enable such other party to seek a protective order or other appropriate remedy at the other party's sole cost. Provided that no information shall be treated as Confidential Information unless it is in writing and is conspicuously marked, "Confidential".

10.2 This obligations under this Clause shall be valid, and shall have force and effect for three (3) years after expiry or earlier termination of this Agreement.

11. REPRESENTATIONS AND WARRANTIES

11.1 Parties represent and warrant to each other that:

i. They have the capacity to enter into this Agreement and perform their obligations, and all transactions and undertakings contemplated herein;

ii. All corporate or other required action necessary for the authorization, execution of this Agreement have been obtained; and

11.2 This Agreement has been duly executed by them and is valid and binding upon them in accordance with its terms.

11.3 the THIRD or The FOURTH PART i.e. LESSOR further represents and warrants that:

i. The properties are handed over free from all existing equipment's and machinery, lien and encumbrances to The SECOND PART.

ii. That it has obtained all necessary statutory licenses and approvals required for performance of its obligations hereunder, and shall maintain the same valid for the duration of the agreement.

11.4 The THIRD PART or The FOURTH PART hereby agrees to inform its Bankers about this arrangement under this agreement and obtain their confirmation to the same.

11.5 The LESSEE hereby agrees to start production with the milk procured

(besides from other sources) from the dairying farmers of the Andhra Pradesh state in the plant within 10 months from the effective date.

11.6 The Lessee will be entitled to make alterations/modifications/changes in the present structure standing on the demised land and the Lessee may also erect new structure on the demised land after obtaining proper permission/license from the concerned authority without any interference from the Lessor.

11.7 The SECOND PART shall deliver the properties under this agreement on *as is where is basis* except for the normal wear and tear excluding plant, machinery, equipment etc., installed/erected/undertaken in the premises of asset/property during the period of this agreement for better performance by The FIRST PART or The SECOND PART at the end of lease period without any claim of indemnity.

11.8 The SECOND Part shall bear all the expenditure related to the scope of the SECOND part as per this agreement including but not limited to the fees/taxes payable to the local body/other statutory authorities and Government for obtaining necessary licences etc., during the term of lease and shall not seek reimbursement at any later date.

12. NON DISPRAGEMENT CLAUSE

12.1 The Parties hereto declare, covenants and undertakes that they shall not during the term of this lease commits such acts or do anything which is prejudicial to the reputation of either party i.e. Lessor or Lessee.

12.2 The Parties herein agree to not to do anything which in any manner affects or is prejudicial to the reputation and Goodwill of Lessor and Lessee.

13. DISPUTES AND GOVERNING LAW

13.1 Parties shall endeavour to amicably settle and resolve any dispute or difference arising out of or in relation to this Agreement.

13.2 The agreement shall be governed and interpreted by and construed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of competent Courts at Vijayawada, Andhra Pradesh only in respect of all matters arising out of or relating to this agreement.

14. TERMINATION & EXTENSION

14.1 The FIRST PART or The SECOND PART can terminate the agreement with prior notice of six (06) months to The THIRD PART or The FOURTH PART.

14.2 The committee members mentioned below will ensure compliance of the agreement:

i) Managing Director, GCMMF Ltd., Anand

ii) Managing Director, Member Milk Union of GCMMF

iii) Managing Director, APDDCF Ltd.

iv) Spl. Chief Secretary/Prl. Secretary to Government, AHDD&F Dept.

14.3 This Agreement cannot be cancelled or terminated or amended except in writing and shall be binding upon and to the benefit of the parties hereto their permitted successors and assignees.

14.4 The lease agreement can be terminated by The THIRD PART with a six (06) months prior notice in occurrence of any of the following conditions:

i) in case of non-payment of lease rent for two consecutive years by The SECOND PART to the THIRD PART.

ii) in case of default by SECOND PART with respect to the investment plan as per the Annexure-III.

iii) in case of default by SECOND PART to start production in the plant within 10 months after land is handed over to the SECOND PART, and the period of 10 months will be considered from the date of handing over, when the land is free from all existing equipment's and machinery, lien and encumbrances. Handing over will be done post joint inspection by the concerned parties.

- In such case, the SECOND PART shall pay the lease amount for the six (06) months period from the date of handing over the property as mentioned in Annexure-I and is permitted to take away the plant, machinery and equipment erected at their own cost in the existing building/ premises and/ or utilizing additional land of The THIRD PART or The FOURTH PART. Any civil construction or temporary

shed/ fabricated structure constructed shall be handed over to The THIRD PART or The FOURTH PART i.e., LESSOR on mutually agreed commercial value between all concerned parties of the agreement. All disputes including but not limited to cancellation or termination of lease relating to this agreement shall be referred to the Committee constituted by the parties to this agreement and the same is binding on all the parties.

14.5 If either party materially breaches any of the provisions of this Agreement, the other party may cancel this Agreement upon six (06) months prior written notice; provided, however, that The THIRD PART or The FOURTH PART shall not be entitled to terminate this Agreement before having provided the FIRST PART or The SECOND PART, as applicable, an opportunity to cure the relevant breach within a period of Ninety (90) days from such breach.

14.6 In case of termination of the agreement for the inability of The FIRST PART or The SECOND PART to cure the relevant breach within the specified period, The FIRST PART or The SECOND PART shall pay the six (6) months lease amount to The THIRD PART or The FOURTH PART in addition to the time taken to handover the property mentioned in Annexure-I to The THIRD PART or The FOURTH PART and pay the pending amount along with prevalent interest rate to the Lessors.

15. NOTICES

15.1 All notices, requests, consents, waivers or other communications required hereunder shall be in writing and in English and shall be deemed as received by the party to which it is sent

i. upon delivery when delivered by hand,

ii. upon receipt of confirmation report when sent by email;

iii. seven (07) days after the date of dispatch by registered mail, postage prepaid, return receipt requested;

15.2 All notices and other communications shall be addressed to the party at the address specified in the prefatory paragraph of this Agreement, unless

a party has previously notified to the other party in writing of a change in that address.

16. COMPLIANCE

16.1 The FIRST PART or The SECOND PART shall be responsible for the necessary registrations / legal compliances of Govt. of AP/Govt. of India relating to the activity undertaken in the properties. The legal compliance shall include, but not limited to, the compliances under the FSSAI and other applicable Laws, Commercial, Industrial and Labour Laws as are applicable to the activity and shall for all non-compliances exonerate The THIRD PART or The FOURTH PART for any loss arising out of any non-compliances, whatsoever.

16.2 It has been specifically conveyed by The FIRST PART or The SECOND PART and has been understood & agreed by The THIRD PART or The FOURTH PART that The THIRD PART or The FOURTH PART shall comply by submission of the requested documents (As per ANNEXURE-II) before the commencement of the activity in the properties.

16.3 The THIRD PART or The FOURTH PART shall ensure that all machinery and equipment's present at property prior to commencement of agreement shall be removed from property and The FIRST PART or The SECOND PART shall not be responsible for any machinery and equipment's present at property. The FIRST PART or The SECOND PART also agrees and undertakes not to sell, assign, sublet, pledge, hypothecate, mortgage or create a charge in favour of a bank or financial institution or otherwise encumber or suffer a lien upon or against any interest in this Agreement.

17. WAIVER

17.1 The failure of either party, at any time during the term hereof, to require performance by the other party of any provision of this agreement shall in no way effect the full right to require such performance at any time thereafter. The waiver by either party of a breach of any provision of this agreement does not constitute a waiver of any succeeding breach of the

same or any other provision, nor shall it constitute a waiver of the provision itself.

18. ENTIRE AGREEMENT

18.1 This Agreement, together with all Annexures, shall constitute the entire understanding of the parties concerning the subject matter hereof and shall supersede any and all prior oral or written representations, understandings or agreements relating thereto, if any related to this property.

19. AMENDMENT

19.1 The terms and conditions of this agreement may only be modified in writing by parties by mutual agreement from time to time. No modifications, alterations, amendment or waivers of any provisions herein contained shall be binding on the parties hereto unless evidenced in writing signed by duly authorized representatives of the parties.

20. SURVIVAL

20.1 Any provisions of this Agreement which, either expressly or by implication, survive the termination or expiration of this Agreement, shall be complied with by the parties in the same manner as if the present Agreement is valid and in force even after termination or expiry.

21. FORCE MAJEURE

21.1 Force Majeure shall mean any event or circumstance or a combination of events and circumstances referred to hereunder which or any consequences of which adversely affects the performance by either party claiming Force Majeure ("Affected party") of its obligations under this Agreement and which are beyond the reasonable control of the Affected party. Notwithstanding anything contained in this Agreement, neither party shall be responsible or liable for, or be deemed to be in breach of this Agreement due to one or more Force Majeure Event. The period allowed for performance by the parties of such obligation(s) shall be extended on a day-to-day basis from the date of the Force Majeure Event,

unless the Agreement is terminated by either party for reasons attributable to the occurrence of the Force Majeure Event.

21.2 "Force Majeure" shall mean the following events and circumstances to the extent that have the effects described above (a "Force Majeure Event"): Act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riots, insurrection, terrorist or military action, civil commotion, or politically motivated or any other sabotage; Aviation accident; strikes, boycotts or lock-outs in respect of employees, workers, personnel of parties other than the contracting parties herein having duration of not less than three consecutive days; Any exercise of a sovereign or executive prerogative by any of GoI, any State Government, or any statutory authority thereof vested by law with such authority including the expropriation or compulsory acquisition or seizure of the assets of the Affected Party; any action taken by any political party, whether or not such action is taken under any law or pursuant to any political dictate of such political party for any purpose whatsoever, whether or not such action causes or results in any civil unrest, commotion; change in law; Act of God; lighting, earthquake, cyclone, whirlwind, flood, tempest, storm, drought, other unusual or extreme adverse weather or environmental conditions (excluding the monsoon); action of the elements meteorites, objects falling from aircraft, pressure waves caused by aircraft or aerial devices travelling at supersonic speed; fire or explosion; chemical or radioactive contamination or ionizing radiation; Any court order or statutory directive restraining supply of milk by The FIRST PART or The SECOND PART; any events or circumstances of a nature analogous to any of the events outlined above.

21.3 The Party so affected by Force Majeure shall use reasonable diligence to avoid such Force Majeure or ameliorate its effects, and shall continue to take all actions within its power to comply as fully as possible with the terms and conditions of this agreement.

21.4 Except where the nature of the event shall prevent it from doing so, the Party suffering such Force Majeure shall notify the other parties in writing within three days of the occurrence of such Force Majeure and shall in every instance, to the extent reasonable and lawful under the circumstances, use its best efforts to remove or remedy such cause with all reasonable dispatch.

21.5 If the Lessee is rendered wholly or partially unable to perform any of its obligations under this Lease Deed because of a Force Majeure Event, it shall be excused from performance of such obligations to the extent it is unable to perform the same on account of such Force Majeure Event.

21.6 If a Force Majeure Event leads to a situation that in the reasonable judgement of the Parties, the Project cannot be carried on then the Parties may mutually decide to terminate this Lease Deed or continue this Lease Deed on mutually agreed revised terms in writing.

21.7 In the event of Force Majeure persists for consecutive periods of more than 3 months, then the other parties shall have the option to terminate the agreement.

21.8 Save and except as expressly provided in this Article, neither Party hereto shall be liable in any manner whatsoever to the other Party in respect of any loss, damage, cost, expense, claims, demands and proceedings relating to or arising out of occurrence or existence of any Force Majeure Event.

The FIRST PART	The SECOND PART
Signed, Sealed and Delivered by:	Signed, Sealed and Delivered by:
(Managing Director or his authorized Nominee)	(Managing Director or his authorized Nominee)
In the presence of Witness:	In the presence of Witness:
Witness 1:	Witness 1:
Witness 2:	Witness 2:

The THIRD PART
Signed, Sealed and Delivered by:

(Managing Director
or his authorized Nominee)

In the presence of Witness:
Witness 1:
Witness 2:

The FOURTH PART
Signed, Sealed and Delivered by:

(Liquidator)

In the presence of Witness:
Witness 1:
Witness 2:

GOPAL KRISHNA DWIVEDI
SPECIAL CHIEF SECRETARY TO GOVERMENT (FAC)

ANNEXURE-I

Schedule of property under this agreement

ANNEXURE-II
Statement of Documents to be provided by The THIRD PART or The FOURTH PART
(whichever is applicable)

1. Resolution delegating the powers to sign the Contract
2. Memorandum and Articles of Association
3. Copy of Electricity Connection Receipt & last bill
4. Copy of Factory License
5. Copy of Certificates of Calibration under Weights & Measurement Act
6. Copy of Approved Plant Layout
7. Copy of Industrial License
8. Copy of Certificate of Inspection of Boiler
9. Annual Report including the Balance Sheet of the UNIT for the past Three years
10. Service Tax Registration number if applicable
11. GST Registration number, if applicable
12. Copy of Latest Pollution Control Board Certificate / NOC
13. Copy of Registration under MMPO
14. Copy of registration under FSS Authority of India
15. Premium Receipt of Insurance

16. Copy of applicable license and document of Safety department (i.e. Director of Industrial Safety)
17. Other applicable license and EPR compliances related to plant.

ANNEXURE -III
Investment Plan of the SECOND PART

Investment plan for Chittoor land on lease for 99 years, which will be invested in next 15 years from the date of handover of land:

Particulars	Projected Investment (Rs. in Cr.)
Civil work	50.00
Milk Processing & packing	50.00
Ice Cream	150.00
Paneer	10.00
UHT	30.00
Sweet	15.00
Yoghurt	15.00
Cheese	25.00
Spray Dryer	25.00
Butter section	15.00
Total	**385.00**

GOPAL KRISHNA DWIVEDI
SPECIAL CHIEF SECRETARY TO GOVERMENT (FAC)